

ORIGINAL

# NEW APPLICATION



0000119329

Arizona Corporation Commission

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

DOCKETED

2010 NOV -3 P 3:47

NOV -3 2010

COMMISSIONERS

KRISTIN K. MAYES - CHAIRMAN

GARY PIERCE

PAUL NEWMAN

SANDRA D. KENNEDY

BOB STUMP

ARIZONA CORP COMMISSION  
DOCKET CONTROL

DOCKETED BY

nr

E-01049A-10-0449

IN THE MATTER OF THE APPLICATION OF  
MORENCI WATER & ELECTRIC COMPANY  
FOR AN ADJUSTMENT IN ITS PURCHASED  
POWER AND FUEL ADJUSTMENT CLAUSE  
RATE ("PPFAC")

Docket No. E-01049A-10-\_\_\_\_\_

**APPLICATION**  
**(Expedited Treatment Requested)**

Morenci Water & Electric Company ("MWE"), through undersigned counsel, respectfully requests that the Arizona Corporation Commission authorize and approve an adjustment to MWE's Purchased Power and Fuel Adjustment Clause ("PPFAC") rate starting February 1, 2011, in order to address the current over-collected bank balance. In support of this application, MWE states:

1. MWE is an Arizona public service corporation certificated by the Commission to provide electric and water service to customers in various portions of Greenlee County, Arizona. MWE services approximately 2,100 electric customers.

2. In Decision No. 68813 (June 29, 2006), the Commission approved a PPFAC rate of negative \$0.019 per kilowatt hour (kWh).

3. In Decision No. 71468 (January 26, 2010), the Commission approved a temporary PPFAC rate of negative \$0.027 per kWh for the 12-month period starting February 2010 through January 2011. MWE had filed an application to reduce the PPFAC rate at that time – to address a rapidly increasing over-collected bank balance due to reduced gas prices and the resulting reduced wholesale power rates. That Decision ordered MWE's PPFAC to revert back to negative \$0.019 per kWh starting February 2011. At that time, it was anticipated that, with those modifications, MWE's estimated account balance at would be an under-collected amount of \$13,196 by the end

1 of 2011.

2 4. MWE's unit cost of purchase power in 2010 has been significantly less than  
3 anticipated. This is due to a continuation of reduced gas prices and resulting reduced wholesale  
4 power prices. As a result, MWE's over-collected bank balance increased from April 2010  
5 through September 2010 (from \$465,442 to \$506,933). Further, this over-collected balance is  
6 expected to increase to \$510,913 by the end of 2010 and is only projected to decrease to  
7 approximately \$370,188 by the end of 2011 – if the PPFAC rate reverts back to negative \$0.019  
8 per kWh starting February 2011

9 5. Further, the reduction in gas prices (and reduced wholesale power prices) is not  
10 expected to increase more than 10% through the rest of 2010 and for the foreseeable future. Based  
11 on this information, MWE believes that the PPFAC rate should not revert back to negative \$0.019  
12 per kWh starting February 2011. In fact, based on what it projects to be its cost for procuring  
13 purchased power, MWE believes a further reduction in the PPFAC rate is warranted.

14 6. MWE submits this Application at this time to address the over-collected bank  
15 balance. MWE proposes that the PPFAC rate be reduced to negative \$0.051 per kWh starting  
16 January 1, 2011 – and proposes to keep that rate through the end of 2011. Attached as Exhibit A,  
17 and incorporated herein by reference, are schedules detailing the PPFAC bank balance levels and  
18 detailing how reducing the PPFAC rate at negative \$0.051 per kWh is anticipated to eliminate the  
19 over-collected PPFAC balance by the end of 2011. Based on its current estimate of power costs,  
20 MWE anticipates that a PPFAC rate of negative \$0.051 per kWh will result in a slightly under-  
21 collected balance of \$11,546 by the end of 2011.

22 7. MWE believes its proposed PPFAC rate of negative \$0.051 per kWh rate should  
23 remain in effect through the end of 2011. Further, Decision No. 71468 requires that MWE file a  
24 general rate application by March 31, 2011, using a 2010 test year. MWE believes the rate case is  
25 the best forum to resetting the Company's PPFAC rate, based on other findings the Commission  
26 makes at that time.

ROSHKA DEWULF & PATTEN, PLC  
TWO ARIZONA CENTER  
400 NORTH 5TH STREET - SUITE 1000  
PHOENIX, ARIZONA 85004  
TELEPHONE NO 602-256-6100  
FACSIMILE 602-256-6800

8. Based on average use of 579 kWh, the customer's bill would reflect a savings of approximately \$18.53 per month starting February 2011 if the Commission approves reducing the PPFAC rate to negative \$0.05100 per kWh versus if it were to revert back to negative \$0.01900.

9. MWE requests that the Commission approve its proposed adjustment as soon as possible and prior to February 2011, in order to maintain rate stability for its customers and provide enough time to notice its customers.

WHEREFORE, MWE respectfully submits that the Application be granted and that an order maintaining the PPFAC rate for MWE at negative \$0.051 per kWh be approved effective on or before February 1, 2011.

RESPECTFULLY SUBMITTED this 2<sup>nd</sup> day of November, 2010.

**MORENCI WATER & ELECTRIC COMPANY**

By 

Michael W. Patten  
Jason D. Gellman  
ROSHKA DEWULF & PATTEN, PLC  
One Arizona Center  
400 East Van Buren, Suite 800  
Phoenix, Arizona 85004  
(602) 256-6100

Attorneys for Morenci Water & Electric  
Company

Original and 13 copies filed  
this 2<sup>nd</sup> day of November, 2010, with:

Docket Control  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

ROSHKA DEWULF & PATTEN, PLC  
TWO ARIZONA CENTER  
400 NORTH 5TH STREET - SUITE 1000  
PHOENIX, ARIZONA 85004  
TELEPHONE NO 602-256-6100  
FACSIMILE 602-256-6800

1 Copies of the foregoing hand-deliver/mailed  
2 this 2<sup>nd</sup> day of November, 2010 to:

3 Lyn A. Farmer, Esq.  
4 Chief Administrative Law Judge  
5 Hearing Division  
6 Arizona Corporation Commission  
7 1200 West Washington Street  
8 Phoenix, Arizona 85007

9 Janice M. Alward, Esq.  
10 Chief Counsel, Legal Division  
11 Arizona Corporation Commission  
12 1200 West Washington Street  
13 Phoenix, Arizona 85007

14 Steve Olea  
15 Director, Utilities Division  
16 Arizona Corporation Commission  
17 1200 West Washington Street  
18 Phoenix, Arizona 85007

19  
20  
21  
22  
23  
24  
25  
26  
27  
By Albbie Amara

Present PPFA Rate		2009	2010	2011
1	Beginning Bank Balance - Under (Over)	\$20,374	(\$492,737)	(\$510,913)
2A	Jurisdictional Sales	32,790,010	30,969,361	28,640,647
2B	Total Sales(Incl Spec Cont)	1,195,333,366	1,211,621,890	1,000,002,734
2C	Special Contract Sales	1,162,543,356	1,178,275,469	971,362,087
3	Actual Cost of Purchased Power	\$47,056,016	\$57,520,106	\$59,705,122
4	Unit Cost of Purchased Power	0.039366	0.047474	0.059705
5	Authorized Base Cost of Pur. Pow: Per Decision	0.07522	0.07522	0.07522
6	No 57712 Dated 10/10/85			
	Supplemental PPFA per Decision No. 61298	(\$0.01900)	\$0.00000	\$0.00000
	Dated 12/98			
7	Supplemental PPFA per Decision No. 71468	\$0.00000	(\$0.02700)	(\$0.01900)
	Dated 01/10			
8	Total Rate Collected From Customer	\$0.05622	\$0.04822	\$0.05622
9	Incremental Difference between authorized and actual recovery:	(\$0.01685)	(\$0.00075)	\$0.00348
10	Net change to Bank balance:	(\$554,407)	(\$18,175)	\$140,726
11	Adjustments to Bank Balance	\$0	\$0	\$0
12	Preapproved DSM costs	\$0	\$0	\$0
13	Ending Bank Balance:	(\$534,033)	(\$510,912)	(\$370,187)
Proposed PPFA Rate		2009	2010	2011
	Beginning Bank Balance - Under (Over)	\$20,374	(492,737)	(\$510,913)
	Jurisdictional Sales	32,790,010	30,969,361	28,640,647
	Total Sales(Incl Spec Cont)	1,195,333,366	1,211,621,890	1,468,640,647
	Special Contract Sales	1,162,543,356	1,178,275,469	1,440,000,000
	Actual Cost of Purchased Power	\$47,056,016	\$57,520,106	\$62,400,000
	Unit Cost of Purchased Power	0.039366	\$0.04747	\$0.04249
	Authorized Base Cost of Pur. Pow: Per Decision	\$0.07522	\$0.07522	\$0.07522
	No 57712 Dated 10/10/85			
	Proposed PPFA Rate Per kWh	(\$0.01900)	(\$0.02700)	(\$0.05100)
	Total Rate Collected From Customer	\$0.05622	\$0.04822	\$0.02422
	Incremental Difference between authorized and actual recovery:	(\$0.01685)	(\$0.00075)	\$0.01827
	Net change to Bank balance:	(\$554,407)	(\$18,175)	\$522,459
	Adjustments to Bank Balance	\$0	\$0	\$0
	Preapproved DSM costs	\$0	\$0	\$0
	Ending Bank Balance:	(\$534,033)	(510,912)	\$11,546

←←← If you change the proposed rate you can see the result in ending balance.

MORENCI WATER ELECTRIC CO.  
PURCHASED POWER FUEL ADJUSTER  
BANK BALANCE REPORT FA-1

	Actual Jan-09	Actual Feb-09	Actual Mar-09	Actual Apr-09	Actual May-09	Actual Jun-09	Actual Jul-09	Actual Aug-09	Actual Sep-09	Actual Oct-09	Actual Nov-09	Actual Dec-09	Actual Total
1 Ending Bank Balance from Previous Month	20,374	(14,854)	(52,365)	(100,182)	(137,230)	(173,888)	(231,480)	(286,632)	(343,989)	(396,964)	(432,761)	(2,733,847)	20,374
2 Jurisdictional Sales	2,556,876	2,525,867	2,719,396	1,877,255	2,290,609	2,529,600	3,348,394	3,327,482	3,373,985	2,959,974	2,659,974	2,233,750	32,790,010
2A Total Sales/retail Sales (Cont)	142,148,846	140,848,141	150,207,765	83,477,655	91,774,058	95,885,207	99,088,323	98,395,917	95,735,917	97,891,290	97,891,290	92,666,086	1,165,333,366
2B Special Contract Sales (Industrial kWh)	139,592,907	105,513,543	90,208,365	81,540,265	89,483,449	93,355,507	95,158,335	95,158,335	93,437,006	91,732,810	91,732,810	92,666,086	1,162,543,356
2C Total Contract Sales (Industrial kWh)	5,732,322	4,369,012	3,524,505	2,337,742	3,393,548	3,389,694	3,730,319	3,794,654	3,832,440	4,319,843	3,857,973	4,788,672	47,056,016
3 Actual Cost of Purchased Power	0.040326	0.040401	0.039322	0.035205	0.036977	0.030714	0.037646	0.038655	0.040031	0.04126	0.041676	0.050450	0.038666
4 Unit Cost of Purchased Power	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522
5 Authorized Base Cost of Pur. Pow. Per Decision No	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)
6 Authorized Purchased Power Adjuster: Per Decision No	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
7 Supplemental PPA for Decision No. 617616 dated 3/05	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
8 Total Rate Collected From Customer	0.05822	0.05822	0.05822	0.05822	0.05822	0.05822	0.05822	0.05822	0.05822	0.05822	0.05822	0.05822	0.05822
9 Net amount to Bank less between authorized and actual	(0.01913)	(0.01913)	(0.01913)	(0.01913)	(0.01913)	(0.01913)	(0.01913)	(0.01913)	(0.01913)	(0.01913)	(0.01913)	(0.01913)	(0.01913)
9a Net amount to Bank less between authorized and actual	(0.01913)	(0.01913)	(0.01913)	(0.01913)	(0.01913)	(0.01913)	(0.01913)	(0.01913)	(0.01913)	(0.01913)	(0.01913)	(0.01913)	(0.01913)
9b Net amount to Bank less between authorized and actual	(0.01913)	(0.01913)	(0.01913)	(0.01913)	(0.01913)	(0.01913)	(0.01913)	(0.01913)	(0.01913)	(0.01913)	(0.01913)	(0.01913)	(0.01913)
10 Adjustments to Bank Balance	(39,857)	(57,648)	(57,648)	(39,451)	(44,078)	(64,521)	(62,210)	(57,157)	(62,955)	(35,197)	(47,085)	(12,890)	(554,407)
11 Preapproved DSM costs	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Ending Bank Balance:	(20,265)	(54,911)	(110,012)	(139,633)	(181,308)	(238,389)	(293,690)	(343,989)	(386,964)	(432,761)	(479,847)	(492,737)	(554,033)

	Actual Jan-10	Actual Feb-10	Actual Mar-10	Actual Apr-10	Actual May-10	Actual Jun-10	Actual Jul-10	Actual Aug-10	Actual Sep-10	Oct-10	Nov-10	Dec-10	Total
1 Ending Bank Balance from Previous Month	(492,737)	(481,778)	(464,104)	(464,773)	(465,442)	(479,890)	(484,698)	(486,657)	(484,331)	(505,633)	(508,148)	(502,427)	30,989,361
2A Jurisdictional Sales	2,959,974	2,556,635	2,306,754	2,306,754	2,248,583	2,147,963	2,970,744	3,132,714	3,396,870	2,446,695	2,062,148	2,114,186	30,989,361
2B Total Sales (incl. Spec. Cont.)	96,481,107	93,030,059	96,159,392	96,159,392	104,674,117	103,200,425	104,071,287	105,118,571	108,487,287	105,000,000	105,000,000	102,000,000	1,211,621,890
3 Special Contract Sales (Industrial kWh)	81,373,124	81,373,124	83,852,638	83,852,638	102,425,534	100,733,332	101,100,796	101,952,857	103,450,417	102,000,000	102,000,000	102,000,000	1,178,275,468
4 Actual Cost of Purchased Power	5,908,500	4,627,254	4,608,903	4,608,903	4,370,177	4,779,481	4,952,787	4,806,307	4,755,793	5,000,000	5,000,000	5,000,000	57,520,108
5 Unit Cost of Purchased Power	0.051922483	0.055132262	0.04792863	0.051922483	0.04175031	0.04631281	0.047590215	0.045417146	0.045119048	0.047619048	0.047619048	0.047619048	0.047619048
6 Authorized Base Cost of Pur. Pow. Per Decision No 57712 Dated 10/10/08	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522
7 Authorized Purchased Power Adjuster Per Decision No 71468 Dated 1/10	(0.02700)	(0.02700)	(0.02700)	(0.02700)	(0.02700)	(0.02700)	(0.02700)	(0.02700)	(0.02700)	(0.02700)	(0.02700)	(0.02700)	(0.02700)
8 Supplemental PPFA Per Decision No. 67676 dated 3/05	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
9 Total Rate Collected From Customer	0.04822	0.04822	0.04822	0.04822	0.04822	0.04822	0.04822	0.04822	0.04822	0.04822	0.04822	0.04822	0.04822
10 Incremental Difference between authorized and actual	0.003702	0.005912	(0.002286)	(0.002360)	(0.004176)	(0.001967)	(0.006303)	(0.002478)	(0.003716)	(0.006561)	(0.006561)	(0.006561)	(0.006561)
11 Net change to Bank balance:	10,959	17,674	(669)	(669)	(14,548)	(4,706)	(1,871)	(7,764)	(12,602)	(1,238)	(1,238)	(1,271)	(18,175)
12 Adjustments to Bank Balance:	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Preapproved DSM costs:	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Ending Bank Balance	(481,778)	(464,104)	(464,773)	(465,442)	(479,890)	(484,698)	(486,657)	(484,331)	(505,633)	(508,148)	(502,427)	(510,913)	(510,913)

**MORENCI WATER ELECTRIC CO.**  
**PURCHASED POWER FUEL ADJUSTER**  
**BANK BALANCE REPORT FA-1**

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Total
1 Ending Bank Balance from Previous Month	(510,913)	(482,474)	(488,155)	(488,650)	(486,958)	(486,069)	(482,879)	(431,705)	(377,826)	(372,701)	(372,443)	(370,887)	(510,913)
2A Jurisdictional Sales	2,235,581	2,373,537	2,273,770	1,766,834	1,916,669	2,286,287	3,001,589	3,191,158	2,990,002	2,446,605	2,062,149	2,114,186	28,640,647
2B Total Sales (incl Spec Cont)	83,182,402	83,320,378	83,220,611	82,713,675	82,865,840	83,213,098	83,948,430	84,137,999	83,936,843	83,393,446	83,008,990	83,061,027	1,000,002,734
2C Special Contract Sales (Industrial kWh)	80,946,841	80,946,841	80,946,841	80,946,841	80,946,841	80,946,841	80,946,841	80,946,841	80,946,841	80,946,841	80,946,841	80,946,841	977,362,087
3 Actual Cost of Purchased Power	4,697,160	4,697,160	4,697,160	4,729,396	4,697,160	4,795,353	6,150,816	6,150,816	4,862,786	4,697,160	4,729,396	4,697,160	58,705,122
4 Unit Cost of Purchased Power	0.05668168	0.057616265	0.05844282	0.057171927	0.05683907	0.057627144	0.073268978	0.073103897	0.057933963	0.056325284	0.056974509	0.056550704	0.059705
5 Authorized Base Cost of Pur. Pow. Per Decision No 2712 Dated 10/10/85	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522
6 Authorized Purchased Power Adjuster. Per Decision No 71468 Dated 1/10	(0.02700)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.02700)
6A Supplemental PPA per Decision No 67676 dated 3/05	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
7 Total Rate Collected From Customer	0.04822	0.05622	0.05622	0.05622	0.05622	0.05622	0.05622	0.05622	0.05622	0.05622	0.05622	0.05622	0.04822
8 Incremental Difference between authorized and actual recovery.	0.008248	0.001388	0.000222	0.000958	0.000464	0.001407	0.017049	0.016884	0.001714	0.000105	0.000755	0.000331	0.011485
9 Net change to Bank balance:	18,439.33	3,318.91	505.37	1,692.50	890.24	3,188.95	51,174.02	53,879.18	5,124.57	257.59	1,555.91	699.17	140,726
10 Adjustments to Bank Balance	0	0	0	0	0	0	0	0	0	0	0	0	-
11 Preapproved DSM costs	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Ending Bank Balance:	(482,474)	(488,155)	(488,650)	(486,958)	(486,069)	(482,879)	(431,705)	(377,826)	(372,701)	(372,443)	(370,887)	(370,887)	(370,187)

MORENCI WATER ELECTRIC CO.  
PURCHASED POWER FUEL ADJUSTER  
BANK BALANCE REPORT FA-1

	Actual Jan-09	Actual Feb-09	Actual Mar-09	Actual Apr-09	Actual May-09	Actual Jun-09	Actual Jul-09	Fcost Aug-09	Fcost Sep-09	Fcost Oct-09	Fcost Nov-09	Fcost Dec-09	Total
1 Ending Bank Balance from Previous Month	20,374	(14,954)	(52,366)	(100,182)	(137,230)	(173,668)	(231,480)	(286,832)	(343,989)	(396,964)	(432,761)	(479,847)	20,374
2A Jurisdictional Sales	2,566,876	2,525,957	2,719,386	1,877,235	2,280,608	2,529,600	3,348,384	3,237,482	3,272,365	2,959,974	3,237,482	2,233,750	32,760,010
2B Total Sales(Incl Spec Cont)	142,149,846	108,141,400	92,927,751	83,447,485	91,774,058	95,885,207	99,088,323	98,395,917	97,697,280	94,970,292	94,970,292	94,919,836	1,195,333,366
2C Special Contract Sales (Industrial kWh)	138,592,970	105,615,543	90,268,365	81,570,250	88,485,449	93,355,697	95,738,928	95,156,435	92,465,606	89,937,306	91,732,810	92,686,086	1,162,543,356
3 Actual Cost of Purchased Power	5,732,332	4,399,012	3,254,505	2,937,742	3,394,549	2,944,977	3,730,319	3,784,854	3,832,440	4,319,843	3,967,973	4,788,672	47,065,016
4 Unit Cost of Purchased Power	0.040326	0.040401	0.036022	0.035205	0.036977	0.030714	0.037646	0.038565	0.040031	0.044128	0.041676	0.050450	0.039386
5 Authorized Base Cost of Pur. Powr Per Decision No	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522
6 Authorized Purchased Power Adjuster Per Decision No	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)
6A Supplemental PPFA per Decision No. 67676 dated 3/05	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
7 Total Rate Collected From Customer	0.05622	0.05622	0.05622	0.05622	0.05622	0.05622	0.05622	0.05622	0.05622	0.05622	0.05622	0.05622	0.05622
8 Incremental Difference between authorized and actual	(0.01894)	(0.01894)	(0.01894)	(0.02151)	(0.02151)	(0.02151)	(0.02151)	(0.02151)	(0.02151)	(0.02151)	(0.02151)	(0.02151)	(0.02151)
9 Net change to Bank Balance	(40,658)	(39,837)	(57,861)	(39,161)	(44,078)	(64,523)	(62,210)	(57,157)	(52,975)	(55,797)	(47,086)	(12,980)	(554,407)
10 Presapproved DSM costs	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Ending Bank Balance:	(20,265)	(54,911)	(110,012)	(139,633)	(181,308)	(238,388)	(293,690)	(343,989)	(396,964)	(432,761)	(479,847)	(524,731)	(534,033)

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Total
1 Ending Bank Balance from Previous Month	(482,737)	(481,778)	(481,104)	(484,773)	(485,442)	(479,960)	(484,696)	(486,567)	(494,331)	(506,933)	(509,403)	(509,642)	(482,737)
2A Jurisdictional Sales	2,959,974	2,566,836	2,306,764	2,306,754	2,248,583	2,467,053	2,970,744	3,132,714	3,396,870	2,448,605	2,062,148	2,114,186	30,865,361
2B Total Sales(Incl Spec Cont)	96,461,107	83,930,059	96,159,382	96,159,382	104,674,117	103,200,425	104,071,540	105,116,971	106,847,287	105,000,000	105,000,000	105,000,000	1,211,621,890
2C Special Contract Sales (Industrial kWh)	93,508,133	81,373,124	93,602,688	93,602,688	102,758,311	100,733,432	101,982,787	103,808,307	105,756,783	103,000,000	103,000,000	103,000,000	1,178,275,469
3 Actual Cost of Purchased Power	0.05102463	0.05513262	0.0472983	0.0472983	0.04175031	0.04631261	0.047580218	0.04571746	0.04451019	0.047619048	0.047619048	0.047619048	57,533,162
4 Unit Cost of Purchased Power	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522
5 57112 Dated 10/10/05	(0.02700)	(0.02700)	(0.02700)	(0.02700)	(0.02700)	(0.02700)	(0.02700)	(0.02700)	(0.02700)	(0.02700)	(0.02700)	(0.02700)	(0.02700)
6 Authorized Purchased Power Adjuster Per Decision No	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
6A Supplemental PPFA per Decision No. 67676 dated 3/05	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
7 Total Rate Collected From Customer	0.04822	0.04822	0.04822	0.04822	0.04822	0.04822	0.04822	0.04822	0.04822	0.04822	0.04822	0.04822	0.04822
8 Incremental Difference between authorized and actual recovery:	0.003702	0.006912	(0.000290)	(0.000290)	(0.006470)	(0.001907)	(0.000630)	(0.002478)	(0.003710)	(0.000601)	(0.000601)	(0.000601)	(0.000601)
9 Net change to Bank Balance:	10,969	17,674	(669)	(669)	(14,548)	(4,706)	(1,871)	(7,764)	(12,602)	(1,470)	(1,239)	(1,271)	(18,175)
10 Adjustments to Bank Balance	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Presapproved DSM costs	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Ending Bank Balance:	(481,778)	(484,104)	(484,773)	(485,442)	(479,960)	(484,696)	(486,567)	(494,331)	(506,933)	(509,403)	(509,642)	(510,913)	(510,912)



MORENCI WATER ELECTRIC CO.  
PURCHASED POWER FUEL ADJUSTER  
BANK BALANCE REPORT FA-1

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Total
1 Ending Bank Balance from Previous Month	(510,913)	(469,956)	(426,585)	(384,958)	(352,299)	(316,929)	(275,434)	(221,238)	(163,826)	(109,827)	(65,183)	(27,278)	(510,913)
2A Jurisdictional Sales	2,235,561	2,373,537	2,273,770	1,786,834	1,918,999	2,266,257	3,001,589	3,191,158	2,990,002	2,446,605	2,062,149	2,114,186	28,640,647
2B Total Sales (incl Spec Cont)	122,235,561	122,373,537	122,273,770	121,766,834	121,918,999	122,266,257	123,001,589	123,191,158	122,990,002	122,446,605	122,062,149	122,114,186	1,468,640,647
2C Special Contract Sales (Industrial kWh)	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	1,440,000,000
3 Actual Cost of Purchased Power	5,200,000	5,200,000	5,200,000	5,200,000	5,200,000	5,200,000	5,200,000	5,200,000	5,200,000	5,200,000	5,200,000	5,200,000	62,400,000
4 Unit Cost of Purchased Power	0.04246812	0.04248247	0.04252516	0.04270458	0.04265126	0.04253512	0.04273577	0.04271622	0.04279659	0.04267149	0.04260124	0.04253095	0.04268
5 Authorized Base Cost of Fur. Pow. Per Decision No 3712 Dated 10/10/85	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522	0.07522
6 Total Rate Collected From Customer	(0.05100)	(0.05100)	(0.05100)	(0.05100)	(0.05100)	(0.05100)	(0.05100)	(0.05100)	(0.05100)	(0.05100)	(0.05100)	(0.05100)	(0.05100)
6A Supplemental PFPA per Decision No. 67675 dated 3/05	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
7 Total Rate Collected From Customer	0.02422	0.02422	0.02422	0.02422	0.02422	0.02422	0.02422	0.02422	0.02422	0.02422	0.02422	0.02422	0.02422
8 Incremental Difference between authorized and actual recovery	0.018321	0.018273	0.018308	0.018485	0.018431	0.018310	0.018056	0.017981	0.018060	0.018247	0.018381	0.018363	0.018268
9 Net change to Bank balance:	40,957.29	43,371.28	41,627.09	32,659.16	35,369.59	41,495.46	54,196.32	57,411.55	53,999.02	44,644.40	37,904.87	38,823.00	522,459
10 Adjustments to Bank Balance:	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Preapproved DSM costs	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Ending Bank Balance:	(469,956)	(426,585)	(384,958)	(352,299)	(316,929)	(275,434)	(221,238)	(163,826)	(109,827)	(65,183)	(27,278)	11,546	11,546